

## Message Text

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USIA-06 AGR-05 AID-05 CIAE-00 COME-00 INR-07 LAB-04

NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CIEP-01 CEA-01

SS-15 NSC-05 PA-01 PRS-01 AF-06 ARA-06 EA-07 EUR-12

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TO SECSTATE WASHDC PRIORITY 8747

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E.O. 11652: N/A

TAGS: UNCTAD

SUBJECT: UNCTAD TDB: TRANSFER OF TECHNOLOGY

REF: GENEVA 1850

1. SUMMARY: SUB-GROUP II COMPLETED DISCUSSION OF SECTION V OF MANILA DOCUMENT ON TRANSFER OF TECHNOLOGY ON MARCH 12. ON MARCH 16, GROUP COORDINATORS WILL MEET WITH SUB-GROUP CHAIRMAN (TSCHERNING OF SWEDEN) TO BEGIN DRAFTING SUB-GROUP REPORT. IN GROUP B WORKING GROUP, MARCH 15, IT WAS AGREED THAT WE WOULD TRY TO ENSURE THAT CHAIRMAN'S REPORT CONTAINS G-77 CLARIFICATIONS OF MANILA DOCUMENT WHICH WERE GIVEN IN COURSE OF DISCUSSIONS, AS WELL AS AN ACCURATE REFLECTION OF THE POSITIONS OF BOTH GROUPS CONCERNING THE LEGAL NATURE OF A CODE OF CONDUCT FOR THE TRANSFER OF TECHNOLOGY. END SUMMARY.

2. ON MARCH 12 SUB-GROUP II COMPLETED DISCUSSIONS OF ALL PORTIONS OF SECTION V OF MANILA DOCUMENT. IN GROUP B  
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WORKING GROUP ON TRANSFER OF TECHNOLOGY, MARCH 15, GROUP B

COORDINATOR (TANIGUCHI) ANNOUNCED THAT HE AND THE OTHER GROUP COORDINATORS WILL MEET WITH SUB-GROUP CHAIRMAN (TSCHERNING OF SWEDEN) ON MARCH 16, TO BEGIN DRAFTING SUB-GROUP REPORT. IN GROUP B WORKING GROUP, IT WAS AGREED THAT SUB-GROUP REPORT SHOULD REFLECT GROUP B'S COMMITMENT TOWARD A NON-BINDING CODE OF CONDUCT FOR THE TRANSFER OF TECHNOLOGY, WHILE AT THE SAME TIME INDICATING OUR WILLINGNESS TO EXAMINE ANY NEW PROPOSALS PUT FORWARD ON THE CODE BY THE G-77. GROUP B ALSO AGREED THAT THE SUB-GROUP REPORT SHOULD CONTAIN HELPFUL CLARIFICATIONS AND EXPLANATIONS OF MANILA DOCUMENT PUT FORWARD BY THE G-77 DURING THE COURSE OF DISCUSSIONS. MAJOR POINTS MADE DURING THESE DISCUSSIONS ARE SUMMARIZED BELOW.

3. CODE OF CONDUCT. IT APPEARS THAT G-77 REPRESENTATIVE (ALENCAR OF BRAZIL) IS TRYING TO DEVELOP SOME FLEXIBILITY AMONG THE G-77 CONCERNING THE LEGAL NATURE OF THE CODE. IN RESPONSE TO GROUP B ARGUMENT THAT ANY BINDING CODE TO WHICH WE COULD AGREE WOULD CONTAIN SO LITTLE SUBSTANCE THAT IT WOULD BE VIRTUALLY MEANINGLESS, ALENCAR SAID THAT THE G-77 WOULD BE WILLING TO TAKE THAT RISK. AT ONE POINT HE URGED GROUP B TO AT LEAST AGREE TO NEGOTIATE A LEGALLY BINDING CODE, WITH THE UNDERSTANDING THAT IF SUCH A CODE TURNED OUT TO BE MEANINGLESS, WE COULD ALL FALL BACK TO VOLUNTARY GUIDELINES. ALTERNATIVELY, ALENCAR SUGGESTED THAT DIFFERENT COMBINATIONS OF LEGAL FORMATS BE CONSIDERED, WITH THE POSSIBILITY OF INITIALLY FOCUSING ON THE FORMATS SPECIFIED ON PP. 96-97 OF TD/B/C.6/AC.1/2/SUPP.1. GROUP D, WHICH CONTRIBUTED LITTLE TO THE SUB-GROUP DISCUSSIONS, MERELY STATED THAT IT WAS PREPARED TO ACCEPT THE G-77 PROPOSAL ON A CODE OF CONDUCT. GROUP B SPOKESMAN (TANIGUCHI) REITERATED OUR SUPPORT FOR VOLUNTARY GUIDELINES (AS OPPOSED TO A BINDING CODE), AND SAID WE ARE WILLING TO CONSIDER ANY SPECIFIC FORMATS THAT THE G-77 WISHES TO PROPOSE. IN RESPONSE TO POINT RAISED BY GROUP B CONCERNING PARAGRAPH 12 IN SECTION V OF THE MANILA DOCUMENT, ALENCAR AGREED THAT THE GROUP B PROPOSALS, AS WELL AS THOSE OF THE G-77, TO THE INTERGOVERNMENTAL GROUP OF EXPERTS ON A CODE OF CONDUCT WOULD FORM THE BASIS FOR SUBSEQUENT NEGOTIATIONS.

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4. PATENTS. GROUP B SPOKESMAN (TANIGUCHI) INDICATED THAT PART III OF SECTION V OF MANILA DOCUMENT GAVE GROUP B NO SERIOUS PROBLEMS, BUT ASKED FOR CLARIFICATION OF SEVERAL POINTS. WHEN ASKED PRECISE MEANING OF "PATENT LEGISLATION" IN PARA 13(A), ALENCAR REPLIED THAT TERM

REFERS TO BOTH NATIONAL LEGISLATION AND THE PARIS CONVENTION TO WHICH THE NATIONAL LEGISLATION OF EACH SIGNATORY COUNTRY SHOULD CONFORM. IN RESPONSE TO GROUP B QUERIES CONCERNING PARAS 14 AND 16, ALENCAR INDICATED THAT THE G-77 CONSIDERS UNCTAD'S ROLE IN THE REVISION OF THE PARIS CONVENTION TO BE PRE-EMINENT IN THE ECONOMIC, COMMERCIAL AND DEVELOPMENTAL ASPECTS, AND THAT ANY UNCTAD STUDIES OF THE INDUSTRIAL PROPERTY SYSTEM WOULD BE CONDUCTED IN COOPERATION WITH WIPO. ALENCAR ALSO SAID THAT THE G-77 WOULD BE "HAPPY" IF A RESOLUTION COULD BE PASSED AT UNCTAD IV WHICH WOULD CONSOLIDATE ALL THE PRINCIPLES CONCERNING THE REVISION OF THE PATENT SYSTEM WHICH HAVE BEEN AGREED TO IN UNCTAD AND WIPO RESOLUTIONS.

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5. TECHNICAL ADVISORY SERVICE. IN SUB-GROUP MEETINGS, PATEL, DIRECTOR OF UNCTAD TRANSFER OF TECHNOLOGY DIVISION, PROVIDED SOME INFORMATION ON THE PROPOSED ADVISORY SERVICE, BUT NOT IN SUFFICIENT DETAIL TO SATISFY A NUMBER OF GROUP B MEMBERS. PATEL SAID HE WANTS TO SET UP AN ADVISORY SERVICE FOR HIS DIVISION THAT WOULD BE SIMILAR TO THAT ALREADY ESTABLISHED IN THE SHIPPING DIVISION.

ALENCAR THEN EXPLAINED THAT THE ADVISORY SERVICE WOULD HELP ESTABLISH NATIONAL AND REGIONAL CENTERS FOR THE TRANSFER OF TECHNOLOGY, AND THAT IT WOULD CONSIST OF TWO PROFESSIONALS WHOSE PRIMARY FUNCTION WOULD BE TO HELP THE LDCS REQUESTING HELP TO PRESENT PROPOSED PROJECTS AND FUNDING REQUESTS TO THE UNDP AND OTHER VOLUNTARY SOURCES OF FUNDS. N  
SUPPORTING PATEL'S PRESENTATION, ALENCAR SAID THAT SETTING UP AN ADVISORY SERVICE WAS STRICTLY AN ADMINISTRATIVE AND BUDGETARY MATTER, SINCE UNCTAD HAD ALREADY BEGUN WORK IN THIS AREA. (UNCTAD, FOR EXAMPLE, IS SERVING AS EXECUTING AGENCY FOR THE UNDP IN ESTABLISHING A REGIONAL TRANSFER OF TECHNOLOGY CENTER IN ASIA IN COOPERATION WITH ESCAP.) ALENCAR INDICATED THAT A PRIMARY LIMITED OFFICIAL USE

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FUNCTION OF THE REGIONAL CENTERS WOULD BE TO SEE THAT PROVISIONS OF THE CODE OF CONDUCT FOR THE TRANSFER OF TECHNOLOGY WOULD BE APPLIED UNIFORMLY. RESPONDING TO GROUP B'S CONCERN THAT THE REGIONAL CENTERS MIGHT DUPLICATE THE WORK OF OTHER INTERNATIONAL ORGANIZATIONS IN THIS FIELD, ALENCAR STATED SIMPLY THAT SINCE ALL TECHNICAL ASSISTANCE WOULD BE PROVIDED AT THE REQUEST OF LDCS, THERE WOULD BE NO DUPLICATION SINCE NO COUNTRY WOULD ASK TWO ORGANIZATIONS FOR THE SAME TYPE OF ASSISTANCE. DURING FINAL DISCUSSION OF THIS SUBJECT ON MARCH 12, MCGREGOR (AUSTRALIA) EXPRESSED DISAPPOINTMENT THAT PATEL HAD NOT PROVIDED ADEQUATE INFORMATION IN RESPONSE TO THE SPECIFIC REQUEST OF THE COMMITTEE ON TRANSFER OF TECHNOLOGY ON THE ACTIVITIES OF UNIDO AND OTHER UN ORGANIZATIONS IN THIS AREA, IN ORDER TO AVOID DUPLICATION AND TO ENABLE US TO SEE MORE CLEARLY WHAT UNCTAD COULD CONTRIBUTE TO THE OVERALL EFFORT TO STRENGTHEN THE TECHNOLOGICAL CAPACITIES OF LDCS. ALENCAR THEN SUGGESTED THAT WE MIGHT CONSIDER ASKING OTHER UN BODIES TO REPORT TO US DIRECTLY ON WHAT TECHNICAL ASSISTANCE THEY ARE PROVIDING IN THE TRANSFER OF TECHNOLOGY FIELD. HE ALSO INDICATED THAT THE G-77 WOULD AGREE WITH POINTS MADE BY GROUP B THAT BEFORE SETTING UP NATIONAL, REGIONAL, OR SUB-REGIONAL CENTERS, THERE MUST BE PROPER COORDINATION AND CONSULTATION WITH THE REGIONAL ECONOMIC COMMISSIONS AND OTHER APPROPRIATE UN BODIES.

6. BRAIN DRAIN. US DELEGATE (ALLEN) SAID THAT PARAGRAPH 21 IN SECTION V OF MANILA DECLARATION WAS COMPLETELY UNACCEPTABLE AS IT PREJUDGES THE OUTCOME OF STUDIES CALLED FOR BY THE COMMITTEE ON TRANSFER OF TECHNOLOGY, REFERRED TO IN PARAGRAPH 20. ALENCAR CONCEDED THAT PARAGRAPH 21 WAS PREMATURE AND IMPLIED THAT LANGUAGE OF THIS SORT WOULD NOT APPEAR AT UNCTAD IV, ALTHOUGH THE LDCS AT NAIROBI COULD ASK THE DCS TO REFRAIN FROM PURSUING POLICIES WHICH MIGHT ENCOURAGE THE EXODUS OF TRAINED PERSONNEL

FROM LDCS (I.E., IN KEEPING WITH PARAGRAPH 7 IN SECTION V  
OF MANILA DOCUMENT). DALE

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## Message Attributes

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